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JUL 23 1959
WOMAN'S COLLEGE
UNIVERSITY OF NORTH CAROLINA

Week in Headlines

International

Big 4 foreign ministers resumed Geneva conference, deadlocked on E. German role.

Soviet premier invited Pres. Eisenhower to exchange visits.

Western powers rejected Soviet proposal of A-free Balkan zone.

United States

Strike halted steel output.

Record employment reported.

Humphrey's candidacy for Presidential nomination announced.

WORLD AFFAIRS

EAST-WEST RELATIONS

Geneva Conference Resumed. Foreign Mins. Herter of the U.S., Lloyd of Britain, Couve de Murville of France & Gromyko of the USSR met in Geneva July 13 to reconvene their conference on German unification & European security after a recess of 3 weeks.

The renewed conference immediately was deadlocked on a procedural question when Gromyko rejected Herter's request for a continuation of restricted conference sessions unless they were attended by representatives of the East German Govt. Herter told Gromyko that the "first round" of the Geneva talks had established clearly that the East Germans were not conference "participants" but, together with the West Germans, "advisers," and that private conference sessions were restricted to the big 4 powers.

The Soviet position on settlement of the Berlin question was reviewed by Gromyko in a conference statement July 13. Defending Soviet proposals for an 18-month interim Berlin status during which the West would maintain occupation rights in West Berlin and an all-German committee would plan German reunification, Gromyko said:

- If the USSR wished to take unilateral actions against the Western position in Berlin, "it could resort to them now." However, the USSR "would prefer to solve the question on an agreed basis with the Govts. of the U.S.A., Britain & France."
- The West's denunciation of the USSR's 18-month offer as an ultimatum & its rejection of the USSR's "free city" proposal for West Berlin were part of the Western powers' efforts "to maintain in West Berlin their order—the occupation regime, which has outlived itself."
- Western demands that the USSR drop its proposal for "time limits" on a Berlin settlement were "tantamount to demanding from the Soviet Union its consent to perpetuate the occupation of West Berlin, which it cannot . . . & will never accept."
- Western fears that their rights in West Berlin would be sacrificed if no progress were made during the 18-month period were unfounded. "Our proposals provide for the holding of new negotiations after the expiration of the time limit" if the all-German committee "does not achieve . . . results."
- A German peace treaty was not within "the competence of the 4 great powers alone." German interests in the treaty should be determined by the all-German committee, and the treaty should be subject to approval "by the major states concerned & first of all by the members of this conference."

State Secy. Herter, in an opening statement July 13, expressed belief that "a satisfactory long-range solution to the German & Berlin problems can be found if we realistically face the dangers created by the artificial division of this great country & . . . eliminate them by . . . reunification within the framework of a general agreement on [European] security."

Herter asserted that the West's "package plan" would accomplish these ends by providing for (1) a "German reunification which would be permanent because it would be freely accepted by the German people [through "free all-German elections" & "a German mixed committee"] and would bring about a peace settlement" that would assure that the security of "Germany's neighbors . . . would be thoroughly safeguarded"; (2) the discussion of regional security in Europe & disarmament, which both the Western powers & the Soviet Union had recognized "as necessary for the stabilization of Europe."

(In a statement issued on his arrival in Geneva July 12, Herter had expressed the view that "our earlier discussion here had revealed possible elements of agreement concerning specific arrangements for Berlin." He conceded, however, that "I do not come here with high hopes." Herter's view that a limited Berlin agreement might be achieved was echoed in Geneva statements by British Foreign Secy. Lloyd & French Foreign Min. Couve de Murville the same day. Gromyko, landing in Geneva July 11, had called on the West to show "new interest" in the USSR's proposals as "a good basis for reaching agreement.")

Statements issued July 14 by the U.S. & British delegations rejected as unsatisfactory Gromyko's assurances that Western rights in Berlin would be safeguarded by Soviet proposals for an interim Berlin agreement. Andrew H. Berding, U.S. assistant State secretary for public affairs, told newsmen that the West would require "a much more categorical statement" of its Berlin rights, & "in writing."

(London dispatches said July 10 that the British Embassy in Moscow had been given strong assurances that Western occupation rights in Berlin would be retained intact during the period of the USSR's proposed interim agreement on West Berlin.)

(Spokesmen for West Germany disclosed July 14 that an aide memoire delivered to the U.S., Britain & France had suggested that a Big 4 commission be formed, with East & West German advisers, to continue work on the problem of German reunification after the current conference.)

The conference deadlock worsened July 15 when Gromyko made clear that the USSR now considered a Berlin settlement as conditional on Western agreement to Soviet proposals for an all-German committee to study reunification & a German peace treaty. Gromyko's demand was considered an effort to reopen the German question as a whole, abandoned for detailed consideration of Berlin when it proved unfeasible for conference discussion. French Foreign Min. Couve de Murville charged that Gromyko's tactic had "placed the whole negotiation in jeopardy." "We are," he said, "in complete confusion" & "neither side knows what the other is talking about."

(The NATO Permanent Council in Paris July 6 rejected suggestions that a NATO ministerial meeting be held to unify Western policy on Germany before the Geneva conference reconvened. The request for a prior NATO meeting was made jointly by Italy & Belgium. It was opposed by the U.S., Britain & France on grounds that the first round of Geneva talks had disclosed no substantial Western differences on Germany. Italian Foreign Min. Giuseppe Pella conferred with Herter, Lloyd & Couve de Murville in Geneva July 12 before the conference resumed.)

Herter on U.S. Policy. In his first Washington news conference since succeeding the late John Foster Dulles, State Secy. Herter outlined U.S. policies July 9 on the Geneva conference & other major problems.

Herter told newsmen that he would return to Geneva without optimism but with hope that a "successful negotiation" of East-West differences on Berlin & Germany might be achieved. Herter said that he would seek clarification of Soviet policy on 2 major

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points: (1) whether, "if we entered into any interim agreement with respect to Berlin & then resumed negotiations at the expiration . . . of that agreement, we would have forfeited our [Berlin] occupation rights"; (2) whether the 18-month deadline for a Berlin settlement proposed by the USSR was, as stated by Gromyko & Soviet Premier Khrushchev, a matter "for negotiation."

Questioned as to the probable result of a separate peace treaty between East Germany & the USSR, Herter said that a treaty would not necessarily affect access routes used by Western occupation forces in West Berlin. He noted that the 1955 access accord, which gave East Germany control of civil routes to Berlin & retained for the USSR control of military access routes, was a bilateral Soviet-East German matter subject to change or "plain cancellation." Herter indicated that the West would not insist on a 25-10 ratio of West Germans to East Germans in the proposed all-German committee so long as committee decisions were made by ¾ majority & "either side had a veto on the other."

On other U.S. policies, Herter said: (1) He was "hopeful" that Presidents Eisenhower & de Gaulle would have an opportunity to "discuss . . . themselves" the current French-U.S. differences within NATO*; (2) there was "always the opportunity of a breakout again of hostilities in the Far East" between Communist & Nationalist Chinese; the U.S. must be continually alert" to this danger; (3) the U.S. would prefer an initial nuclear test ban limited to atmospheric tests but would accept a ban on underground tests, although it might not be either "perfect" or "adequate," in hope that the control system would "constitute a very real deterrent" to violations.

(Herter left Washington & flew to Canada July 11 for talks with Prime Min. Diefenbaker & External Affairs Secy. Howard C. Green before continuing on to Geneva.)

Eisenhower on East-West Talks. Pres. Eisenhower told a news conference July 15 that State Secy. Herter had been given "the authority to make any kind of a plan" for East-West summit talks, "subject, of course, to final approval."

The President made clear, however, that his participation in a summit meeting would remain contingent on (1) reasonable progress at the Geneva foreign ministers' conference and (2) unqualified Soviet recognition of Western occupation rights in Berlin.

Mr. Eisenhower also expressed opposition to current proposals that Soviet Premier Khrushchev be invited to visit the U.S. The President said that he hoped Vice Pres. Nixon, on his forthcoming trip to the USSR, would get "the same kind of privileges & opportunities that were shown to Mr. [Soviet Dep. Premier] Kozlov" on his visit to the U.S.

The U.S. Embassy in Moscow reported to the State Dept. July 9 that the Soviet Govt. had disapproved Nixon's plans for a flying tour of Siberia aboard an American plane en route home via Alaska. The USSR was reported to be willing to let Nixon visit only selected Siberian cities. However, Soviet First Deputy Premier Anastas I. Mikoyan told newsmen in Moscow July 14 that Nixon would be warmly welcomed in the USSR and permitted to travel wherever he wanted.

Mr. Eisenhower rebuked Khrushchev July 8 for indulging in "ultimatums" & "threats" of war over the current Berlin situation. Commenting on ex-N.Y. Gov. Averell Harriman's account of an interview with Khrushchev at the Kremlin June 23, the President asserted that such statements by "responsible people" were "not the way to reach peaceful solutions." Mr. Eisenhower warned that American determination to uphold Western rights in Berlin was like an "unmovable stone." However, the President said, "we are ready to talk . . . because we . . . want to find . . . a solution that will not keep the whole world on edge."

Khrushchev Proposes Visits. Soviet Premier Khrushchev invited Pres. Eisenhower July 7 to exchange visits to each other's country. Khrushchev told a group of American state governors visiting Moscow that such an exchange would be "a useful thing." He promised that Mr. Eisenhower would be given an "unlimited possibility of meeting our people & talking with them." Khrushchev, urging the development of U.S.-Soviet friendship, asserted that "together, we could stop" any war. "But," he warned, "if the Soviet Union & the [U.S.] came into conflict it would be a terrible calamity because if we fought no one could stop us."

(U.S. Amb.-to-USSR Llewellyn E. Thompson said in a Moscow TV broadcast July 4 that Americans had been disappointed by the lack of "progress in reconciling our political differences" compared with advances in Soviet-U.S. cultural & tourist exchanges.) [See Vol. XVIII, p. 232C1]

Balkan A-Zone Rejected. Soviet Premier Khrushchev's proposal for creation of a Balkan peace zone free of nuclear & rocket weapons was rejected July 11 by the U.S. State Dept. It issued a statement noting Khrushchev's claims that long-range Soviet missiles could destroy missile sites in Italy, Turkey & Greece. This was cited as proof that "the concept of an atom-free Balkan zone [was] meaningless as far as the security of the free nations in that area is concerned." The U.S. said that the Balkan zone scheme was "similar to other Soviet proposals to accomplish piecemeal the design of rendering the Western nations incapable of deterring aggression."

The Balkan peace-zone plan also was rejected in notes delivered to the USSR by Italy July 5, Britain July 13 & Turkey July 14. [See pp. 203G3, 181E3-182D1]

Harriman-Khrushchev Talks. W. Averell Harriman, former N.Y. governor & wartime U.S. ambassador to the USSR, met with Soviet Premier Khrushchev in Moscow June 23 & 24 and was told in 3 lengthy interviews that the USSR would not retreat from its stated intentions to oust the Western Allies from Berlin and surpass the U.S. in industrial production.

Harriman's account of his talks with Khrushchev, published in articles for NANA & in the July 13 issue of Life magazine, portrayed Khrushchev as "blunt & threatening" in his assessment of the Berlin situation. Harriman quoted Khrushchev as warning the West that "if you send in tanks [to Berlin], they will burn, & make no mistake about it." "If you want war, you can have it, but remember, it will be your war. Our rockets will fly automatically," he warned.

Harriman conceded that it appeared as if "some of his [Khrushchev's] bellicose threats were mere acting," but, he warned, it "would be a grave mistake to believe it is all bluff." Khrushchev, he said, appeared to be "profoundly ignorant" of conditions outside the USSR, particularly in the U.S., and "might well overplay his hand." Khrushchev, who was accompanied in the interview by Soviet Foreign Min. Gromyko, told Harriman that Gromyko could say nothing but "what we tell him to" and had been instructed to tell the West that "these days of the [Berlin] occupation are gone forever."

Khrushchev told Harriman that he was convinced communism would triumph over capitalism and that the USSR would foreshadow this victory by achieving 70% of America's 1957 production levels by 1970. Khrushchev warned that the U.S.' system of democratic capitalism inevitably was doomed by its reliance on war for profits but that the USSR was recovering from its backwardness & the execesses of Stalin's rule. He noted, however, that the 21st Soviet CP Congress had declared that war was not inevitablv caused by degenerating capitalism & imperialism and that Soviet-U.S. accords could prevent such a holocaust.

Harriman, who had arrived in Moscow May 12 for a 6-week tour of the USSR, returned to the U.S. July 9 after brief stops in Paris & Bonn and reported to Vice Pres. Nixon, State Secy. Herter & the Senate Foreign Relations Com. July 10 on his conversation with Khrushchev. Harriman told newsmen on his arrival in New York July 9 that he favored a summit meeting in New York in the hope that it would dispel Khrushchev's "ignor-

*NATO Secy. Gen. Paul-Henri Spaak charged July 9 in Paris that France had "prevented the realization of a series of [NATO] military projects" by its "abstentions or negative votes" in NATO councils. Spaak specifically criticized France's refusal to (1) permit the stockpiling of U.S. nuclear weapons for NATO planes on French bases and (2) commit the French air force to an integrated NATO air defense system. The French Foreign Ministry denied Paris reports July 10 that a secret French-U.S. agreement had given France a share in control of American nuclear weapons that might be stored in France. It said an agreement signed Apr. 8, 1954 (by Foreign Min. Georges Bidault & U.S. Amb.-to-France C. Douglas Dillon) had provided only that France be consulted on the use of French-based American aircraft in case of crisis. [See p. 214G2]

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ance of the [U.S.]." He urged U.S. leaders on his Washington visit July 10 to invite Khrushchev to the U.S. even without a summit meeting.

In an interview July 12 for CBS-TV, Harriman expressed the view that the current Berlin situation largely was a diversion from the key issue of nuclear weapons control. He asserted that a possible solution of the German problem might be found if the West gave "the East German regime . . . de facto acceptance, not recognition in the diplomatic sense," to encourage "a development in East Germany along the lines of Poland."

Harriman had been granted U.S. State Dept. permission May 22 for travel to Communist China as a correspondent for NANA. But the Communist Chinese Embassy in Moscow informed Harriman June 22 that his visa application had been refused due to "the state of relations" between the U.S. & Red China. (Vincent Sheean, U.S. newsman, was granted State Dept. permission for travel to China May 19 to set up a Peiping news bureau for the Westinghouse Broadcasting Co.) [See Vol. XVII, pp. 32383, 274C1, 235G2]

Kozlov Ends U.S. Tour. Soviet First Deputy Premier Frol R. Kozlov completed his visit to the U.S. and returned to Moscow July 13. In messages issued on his arrival home, Kozlov expressed gratitude to Pres. Eisenhower & Vice Pres. Nixon for the "opportunity to become acquainted with your great country."* His U.S. visit, Kozlov said, had left him "confident that the American people desire peace as much as the Soviet people."

Wide World
KOZLOV

Kozlov told a farewell press conference at Soviet UN Delegation Hq. in New York July 12 that his trip had not changed his previous views about the U.S. He expressed full personal agreement with Soviet Premier Khrushchev's 1957 prediction that "your grandchildren in America will live under socialism," but he asserted that the "state system in all countries, including . . . yours & our country, is the internal business of the people of that country."

Kozlov rejected as a "profound delusion" American "apprehensions that ideological differences between us are the major obstacle to peaceful coexistence between our countries." He asserted that the ideological dispute between capitalism & communism "will be settled by history . . . through peaceful competition [&] the struggle for securing higher living standards." "We are convinced," he said, "that victory in this competition will be with us."

Highlights of Kozlov's U.S. tour:

July 3—Kozlov arrived in Sacramento, Calif. & was greeted by Gov. Edmund G. Brown. Commenting on an encyclical for peace issued July 2 by Pope John XXIII, Kozlov declared that "we'll even support the pope if he's for peace." Shown plans for extensive California water development & hydro-electric construction, he told Brown: "You see here how the Socialist system helps capitalism!" (Kozlov flew to San Francisco July 3 for a 3-day stay.)

July 6—Kozlov was welcomed in Detroit by Pres. Walker L. Cisler of the Detroit Edison Co. after Mayor Louis C. Miriani had expressed opposition to his visit July 3 & had refused to meet him.

July 7—Kozlov toured Detroit steel and automobile plants. Kozlov & Michigan Gov. G. Mennen Williams discussed possible Soviet purchases in Michigan. Kozlov said the USSR was prepared to buy an entire auto plant. Williams, in his discussion with Kozlov, criticized Soviet policies toward Eastern Europe & a treaty to ban nuclear tests.†

July 8—Kozlov arrived in Chicago and toured U.S. Steel Co. tube & slab mills in nearby Gary, Ind. He classified the mills as "ordinary" and told newsmen that "you are still using operators to control the rolling operations" but "we are getting rid of them & automating completely."

July 9—Kozlov expressed surprise at American corn-growing techniques shown him at a farm southwest of Chicago.

July 10—Kozlov visited Pittsburgh & toured the Homestead Works of the U.S. Steel Co.

July 11—He flew to Shippingport, Pa. for a tour of the 60,000-kw. Duquesne Light Co. nuclear power plant in company with Vice Adm. Hyman G. Rickover, nuclear reactor director at Shippingport. Told by Kozlov that he welcomed the opportunity to meet Rickover and talk of peace, Rickover retorted: "I think that by not telling you everything the peace of the world will be better preserved." On their return to Pittsburgh, Rickover told Kozlov: "It's all right to talk about peace. Now you go home & do something about it.'

Kozlov returned to New York July 11 for a brief tour of the city & of UN Hq. before returning to Moscow.

Trade Talks. Soviet Deputy Foreign Trade Min. Mikhail R. Kuzmin told a New York press conference July 9 that 250 American businessmen had attended a meeting on expanding U.S.-Soviet trade and that he was negotiating deals with a "big number" of U.S. firms. Kuzmin, head of a Soviet trade mission, said that he had discussed increased U.S. trade July 1-2 with Treasury Secy. Robert B. Anderson & Asst. Commerce Secy. Henry Kearns. Kuzmin charged that U.S. trade "restrictions" remained in effect despite the fact that they "have not hampered Soviet economic development nor the growth of its foreign trade."

The U.S. State Dept., in a report released July 4 by the Senate Foreign Relations Com., said that a "policy of more active trade promotion" was "dependent upon further relaxation of world tension & settlement of some of the outstanding differences between the 2 countries." The report, a reply to questions on U.S.-Soviet trade submitted by Sen. J. W. Fulbright (D., Ark.), said that long-term U.S. credits asked by Soviet Premier Khrushchev in June 1958 would "strengthen a potential enemy." It warned that U.S. "exports of advanced equipment could help break a number of bottlenecks & would contribute to accelerating the pace of Soviet economic expansion." [See pp. 55A2, 34C2, 26A1; Vol. XVIII, 187F3]

Matsu Air Clash. Nationalist Chinese F86 Sabrejets attacked & shot down 4 Red Chinese jet planes July 5 over the Formosa Strait in the Matsu I. area. A 5th Communist jet, damaged by Nationalist air & ground fire, was presumed destroyed. No Nationalist planes were damaged. Pres. Chiang Kai-shek decorated the victorious Nationalist pilots July 6. He asserted that the destroyed Communist jets were new MiG-19s, which some Communist units reportedly had received 6 months ago to replace MiG-17s. [See p. 14D3]

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Pope John XXIII, in his first encyclical since assuming the papacy, called on world leaders July 2 to explore every avenue to world unity & peace.

His message warned that failure to achieve unity could bring "a new & frightful warlike conflagration" which would leave "appalling destruction & ruin" for "victor" & "vanquished." Although he indicated support of continued East-West negotiations, the pope asserted that those "who oppress others, who deprive them of rightful liberty . . . can contribute nothing" to world peace. Communism, he charged, was based on "false tenets," and Communists had "abuse[d] the unjust conditions of the proletariat, so as to lure them to their own side." The encyclical confirmed the pope's intention to summon an ecumenical council to seek the reunion of all Christian churches. He made clear, however, that such unity must be based on the re-entry of other Christians into "the unity of the [Roman Catholic] Church."

The pope called on all Christians June 28 to aid their "unfortunate brothers" & to "throw open their frontiers ever more generously" during the World Refugee Year. Addressing a Vatican service for the Feast of St. Peter & St. Paul June 29, he urged prayers for Cardinals Mindszenty of Hungary & Stepinac of Yugoslavia and all leaders of the "Church of silence" who "are imprisoned or prevented from carrying out their pastoral ministry."

* 2 paintings that Pres. Eisenhower had admired during his June 29 visit to the Soviet exhibition in New York were sent to the President & Vice President Nixon as gifts from Kozlov.

† Williams told newsmen July 7 that Kozlov had expressed belief that the U.S., Britain & USSR were near agreement to ban nuclear tests on the basis of an annual quota of inspections of possible test ban violations. Kozlov told newsmen July 8 that Williams was "not well informed on foreign affairs" and did not "understand . . . that the people of Eastern Europe now have governments which they have chosen through their own free will." In a letter to the N.Y. Times, Williams July 14 denied Kozlov's charges that Williams' account of the discussion was "not true."

THE PRESIDENT

Segregation. Pres. Eisenhower, in reply to a press conference question July 8, said he thought racial segregation was "morally wrong" to the extent that it "interfere[d] with the citizen's equality of opportunity in both the economic & political fields." Fletcher Knebel reported in the July 21 issue of Look that Mr. Eisenhower had told Southern Congressmen in a private conversation on the Supreme Court's 1954 school desegregation decision that "integration in the South would take at least 4 generations. I know because I've lived there. It just can't be done all at once." [See p. 184A-B1]

Personnel. Lewis L. Strauss, whose nomination as Commerce Secretary the Senate had refused to confirm, resigned the post June 30. The President accepted the resignation "with personal sadness" and told Strauss "there is no one whose character, qualifications & selflessness I respect more highly." [See p. 199D1-F3]

Malcolm A. MacIntyre resigned July 8, effective July 31, as Air Force Undersecretary. Pres. Eisenhower nominated ex-Asst. AF Secy. Dudley C. Sharp July 8 to succeed him.

Pres. Eisenhower June 29 nominated ex-Gov. Lane Dwinell (R., N.H.) to succeed Walter K. Scott as Assistant State Secretary for Administration.

Other Presidential appointments: June 29—Ewan Clague (reappointment) to another 4-year term as Commissioner of Labor Statistics; William H. Brett (reappointment) to a 2d 5-year term as director of the U.S. Mint; Sigurd Anderson (reappointment) to a full 7-year FTC term. July 14—Deputy Asst. State Secy. (for International Organization Affairs) Walter N. Walmsley to be ambassador to Tunisia.

Pres. Eisenhower July 8 accepted Robert B. Dechert's resignation as Defense Department general counsel.

Other Presidential News. Budget Dir. Maurice H. Stans admitted in testimony made public by the Senate Preparedness Subcommittee July 9 that Pres. Eisenhower had overruled him in requesting $260 million for an additional super-aircraft carrier. Stans said the President made the decision whenever the Budget Bureau & Defense Secretary could not agree. In the case of the carrier, Stans said, his bureau suggested a low priority, but the Navy objected, and Mr. Eisenhower ruled in favor of the Navy. [See pp. 186A1, 21F-G1]

The President July 4 laid the cornerstone of the new east front of the Capitol, which was being extended 32 feet at a cost of $17 million to align it with the Senate & House wings. 49-star U.S. flags were flown officially in continental U.S. for the first time at noon July 3 when they were run up over the Capitol & Ft. McHenry (Baltimore), where Francis Scott Key had seen the flag that inspired him to write "The Star-Spangled Banner."

Pres. Eisenhower asked Congress July 13 for a $1,550,000 supplemental appropriation to build the U.S.' first demonstration plant for converting sea water to fresh water. Interior Secy. Fred A. Seaton announced in a speech read for him at the American Water Works Association convention in San Francisco July 14 that his department's Office of Saline Water would build the 1,000,000-gal.-a-day plant in Freeport, Tex. He said the first atomic power-operated water conversion plant would be built in California. [See Vol. XVIII, p. 279G1]

Pres. Eisenhower complained in a June 24 statement that Congress' failure to raise the federal gasoline tax from 3¢ a gallon to 4½¢ was resulting in "a critical situation in our national road-building program." He released a Federal Highway Administration survey indicating that unless Congress acted, New York, California & 8 other states would have to stop contracting for interstate highway projects this summer, 16 other states would have to do likewise by the end of 1959 and 11 others by mid-1960. [See p. 151F2-F3]

The President told graduates of the State Department's Foreign Service Institute in Arlington, Va. June 12 that he hoped to send Congress a government reorganization plan that would give top officials "more time to think about the job."

Mr. Eisenhower said at his press conference June 3 that he & the late State Secy. John Foster Dulles "often talked about" the possibility of changing the Constitution to deal with a situation (like the current one) in which one party controlled Congress and the other controlled the Presidency. "We decided that it was better . . . to stick with what we have but try to make it work a little bit better," the President said. "I believe that if we come into the business of parliamentary government it would be so strange for us we just wouldn't know how to work it probably as well as some of the others do. But on top of that, I think there are many advantages of ours."

The 10-member Board of Foreign Scholarships reported to Pres. Eisenhower June 15 that the USSR was outdoing the U.S. in educational & cultural exchanges with uncommitted nations. It urged an immediate $8 million increase in the program (the President had requested $22,800,000 for fiscal 1960) plus $5 million annual increases for 5 to 10 years thereafter. [See p. 171B3]

Pres. & Mrs. Eisenhower observed their 43d wedding anniversary July 1.

Presidential Press Secy. James C. Hagerty, 50, had an appendectomy performed by Maj. Gen. Leonard D. Heaton, the Army's surgeon general, at Walter Reed Army Hospital in Washington June 22. Sen. Stephen M. Young (D., O.) charged June 23 that Hagerty was getting "socialized medicine on a preferential basis" and asked whether Hagerty, who apparently had no military service, was "taking the place of some disabled or wounded combat veteran." (The White House said Hagerty paid $21 a day for his hospital stay.)

LABOR

Steel Strike

Walkout Starts. 500,000 members of the AFL-CIO United Steelworkers of America went on strike at midnight July 14 against 28 companies that normally produce 85%-90% of the U.S.' steel.

All the major basic steel producers wers strike-bound. They included the Big 3—U.S. Steel, Bethlehem Steel and Republic Steel—which regularly account for 55% of the nation's output. Also struck: Youngstown Sheet & Tube, Jones & Laughlin, Great Lakes, Inland Steel, Kaiser Steel, Colorado Fuel & Iron, Wheeling Steel, Allegheny Ludlum and Armco Steel plants organized by the USW.

Steel production continued at non-union plants & plants organized by unions other than the United Steelworkers. These included Weirton Steel, some divisions of Armco Steel, the Ford Motor Co.'s River Rouge steel plant and International Harvester's Wisconsin facilities. Detroit Steel, Granite City Steel and Jessup Steel also continued operation under agreements with the USW to accept, retroactive to June 30, all benefits granted in the settlement with the struck companies.

The strike originally had been scheduled for midnight June 30 but had been postponed for 2 weeks on Pres. Eisenhower's appeal to the union & industry June 27 to keep negotiating without a shutdown.

A 2d postponement was rejected by USW Pres. David J. McDonald at a secret meeting with Vice Pres. Nixon in Pittsburgh July 7. Nixon conferred separately with Benjamin F. Fairless, American Iron & Steel Institute president, in Pittsburgh the same day in his unsuccessful effort to forestall a steel tie-up.

McDonald, who had interrupted his bargaining with steel industry negotiators in New York to fly to Pittsburgh for the Nixon meeting, announced in New York July 7 his rejection of Nixon's appeal for a strike delay and accused the companies of trying to force a strike "so that when they raise their prices & get more profits, they can blame the union."

R. Conrad Cooper, U.S. Steel executive vice president and chairman of the companies' bargaining committee, retorted that McDonald sought to "obscure the fact that the union is determined to extract another round of inflationary wage & benefit increases from the industry . . . by the usual compulsory route of a strike, if necessary." [See pp. 184G3, 108F2-B3]

Points at Issue. The union demanded annual increases of 15.2¢ hourly in wages that averaged $3.10 an hour before the strike. It also demanded continuation of the cost-of-living escalator clause. The companies rejected continuation of the escalator clause or any wage raise in 1959 as inflationary & unjustified but an-

nounced willingness to grant a "modest" raise in 1960 if the union permitted increased efficiency. The companies offered to improve pension & insurance benefits immediately.

The companies demanded rule changes that would give them greater control of working practices and enable them to eliminate "feather-bedding & loafing." This demand was their condition to future raises. The union replied that current rules did not block peak output and that the companies' real goal was to restore "industrial dictatorship." The union offered to add to the contracts a statement that its work rules were not intended to prevent company progress. Company negotiators replied that this would change nothing.

The companies indicated that they considered themselves fighting at least as much for principles as for specific economic advantages. They claimed to be fighting against annual raises & other increases in employment costs that speeded up the inflationary spiral and were not earned through more efficient practices. They hinted that they sought to win back "management rights"—the right to decide on work assignments, crew sizes and scheduling without union veto—that they had yielded in previous contracts.

The union called its proposals "reasonable, fair & non-inflationary" and said it had "done everything within reason to bring about a fair & honorable settlement which would not require increased steel prices."

McDonald charged in a July 14 statement that the companies sought the "destruction of basic rights & benefits of the workers presently protected by the contracts." He called it "simply inconceivable . . . that a local working condition such as the great American custom of 'a coffee break' is preventing a settlement." McDonald said the union's raise demand was "completely justified by the industry's increased profits & productivity," "the greatest . . . in its history." He said "employment costs per ton of steel are falling, not rising," and were lower than in 1957 & 1958 "despite the annual increases in wages & fringe benefits."

Mediation Ordered. As the steel negotiations collapsed July 14, Pres. Eisenhower ordered the Federal Mediation & Conciliation Service to try to get the disputants to agree on terms for halting the walkout. Joseph F. Finnegan, director of the service, began separate meetings with the 2 sides in New York July 15.

Mr. Eisenhower told reporters July 15 that the strike had not created an emergency that would justify use of the Taft-Hartley law's cooling-off provisions. He saw no reason for a fact-finding board, he said, because "all the facts are pretty well known."

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Job Record Set. Employment rose from 66,016,000 in mid-May to a record 67,342,000 in mid-June, the Labor Department reported July 14.

Unemployment rose simultaneously from 3,389,000 to 3,982,000 as 2 million students graduated or left schools to seek summer jobs. But the number of unemployed family heads dropped 180,000 below May, and unemployment remained at 4.9% of the labor force. Long-term unemployment (15 or more weeks) dropped from 1,120,000 in May to 927,000 in June.

Non-farm employment (seasonally adjusted), up for the 6th straight month, increased to a 52,345,000 total.

The average factory week rose from 40.5 hours in May to 40.6 in June. Average factory earnings increased from $90.32 a week to a record $90.54. [See p. 184G1-A2]

Flaws in Union Rules. Most union constitutions were "democratic in intent" but faulty in "problem areas," Leo Bromwich reported July 12 in a study for the Fund for the Republic. The report, entitled "Union Constitutions," was based on an examination of 70 unions with 15,851,194 members.

Bromwich, a member of Columbia University's Institute of Industrial Relations research staff, listed among problems due to faulty rules: (a) some racial & political discrimination in admission; (b) "concentration of power in the hands of the international president" with only "limited effectiveness" granted to the executive board; (c) manipulation of conventions; (d) frequent lack of procedural rights in disciplinary cases; (e) monopolization & control of the union press by union's incumbent officials to the exclusion of opposition. Bromwich pointed out, however, that the International Typographical Union, the United Auto Workers, the Upholsterers International Union "& a number of others assure a considerable degree of membership control." [See p. 136F1-C3]

News Delivery Indictments. 6 previously indicted members of the unaffiliated Newspaper & Mail Deliverers Union were indicted by a N.Y. County grand jury July 14 on charges of conspiring to extort & extorting $110,000 from representatives of newspaper distributing firms.

Those indicted: Irving Bitz, 56, officer of 2 distributing firms & a "nominal member" of the union; Sam Feldman, 40, ex-president of the union; Harry Waltzer, 59, William Walsh, 59, & Angelo Lospinuso, 43, former or current business agents of the union; Michael Spozate, 59, distributing firm officer & "nominal member" of the union. [See p. 208D1]

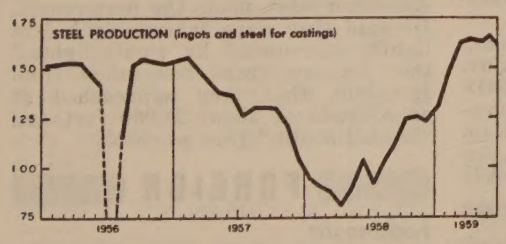
Powell & Iandoli Indicted. Ex-Secy.-Treasurer Hyman J. Powell, 51, & ex-Vice Pres. Frank C. Iandoli, 57, of the International Jewelry Workers were indicted in New York July 1 on charges of misappropriating, respectively, $22,334 & $2,114.50 from the union between Jan. 1955 & Dec. 31, 1958. [See Vol. XVIII, p. 429C2]

Beck Pleads Innocent. Not-guilty pleas were entered in U.S. District Court in New York July 2 by ex-Teamsters Pres. Dave Beck, Pres. Roy Fruehauf of the Fruehauf Trailer Co. & Pres. Burge Seymour of Associated Transport to charges of violating the Taft-Hartley law ban on payoffs by businesses to union officers. U.S. Attv. S. Hazard Gillespie Jr. charged that the law had been violated even though $200,000 advanced by the businessmen had been repaid by Beck a year later at 4% interest. [See p. 201E-F2]

Migrant Rules Upheld. Atty. Gen. William P. Rogers July 9 sent Labor Secy. James P. Mitchell a letter upholding Mitchell's right to deny U.S. Employment Service facilities to farm operators who fail to meet his wage, housing, transportation and working condition requirements for migrant workers. Mitchell had requested the opinion after Southwestern growers, with Congressional support, had challenged his right to make such rules under the Wagner-Peyser Act. Agriculture Secy. Ezra Taft Benson had expressed reservations about Mitchell's proposals of federal standards in this field. Farm operators unable to hire enough workers within their state were required to use the USES in hiring Mexicans & other aliens. [See Vol. XVIII, p. 400E2]

Labor Assesses Senators. The AFL-CIO Committee on Political Education said July 4 that 7 of 34 Senators up for reelection in 1960 had voted "wrong" on all of 4 key issues. They were Democrats A. Willis Robertson (Va.) & Strom Thurmond (S.C.) and Republicans Carl T. Curtis (Neb.), Thomas E. Martin (Ia.), Karl E. Mundt (S.D.), Leverett Saltonstall (Mass.) & Andrew F. Schoeppel (Kan.). Democratic Sens. John L. McClellan (Ark.), Allen J. Ellender (La.) & James O. Eastland (Miss.) had voted "wrong" on 3 of the 4 issues, COPE said. Sens. Estes Kefauver (D., Tenn.) & Richard L. Neu-

STEEL OUTPUT rose to a record 11,600,581 tons in May and dropped to 10,908,000 tons in June (which was more than in any previous June) as steel users rushed to build up stockpiles before the steel strike. Users' inventories were estimated at more than 21 million tons, much of it in the form of finished products, as the strike started. This included a record supply of 900,000 finished autos as of June 1. Steel production for the first half of 1959 was a record 64,278,569 tons and for the Apr.-June quarter a record 33,790,501 tons. May output was at 92.5% of the industry's 147,633,670-ton annual capacity; June output was at 89.9% of capacity. The Commerce Department chart compares steel production (the 1947-49 average representing 100) for the years 1956-58 & the first half of 1959. During the 34-day 1956 strike, output declined to 22.8% of the 1947-49 average. [See p. 108G1]



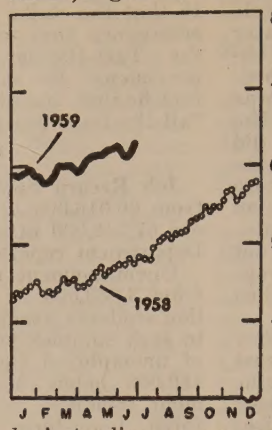
Business & Financial Summary

Week Ended July 11

	This Week	Last Week	Year Ago
FINANCE:			
U.S. Treasury—			
Monetary gold stocks	*$19,704	*$19,712	*$21,306
Currency circulation	*$32,112	*$31,858	*$31,384
Banks—			
Com'l & ind'l loans§	*[a]$31,998	*$31,989	*$29,786
Agricultural loans§	*[a]$630	*$628	*$510
N.Y. bank clearings	$11,071,516,860	$14,294,328,514	$9,915,175,595
England note circulation	*£2,146.003	*£2,123.279	*£2,060.338
N.Y. Stock Exchange—			
Stock sales (shares)	18,719,665	12,957,220	12,510,255
Stock avgs. (100 stocks)**	245.49	243.54	199.79
Bond sales (par value)	$29,128,000	$23,409,000	$23,806,500
Bond avgs. (30 bonds)**	85.40	85.67	90.78
INDUSTRY:			
Auto output (cars & trucks)†	150,256	132,086	88,098
Crude oil (bbl. daily)	[b]6,913,775	7,025,075	6,423,685
Soft-coal output (tons)	[c]8,585,000	9,335,000	8,887,000
Electric output (kwh.)	*[b]13,200	*[r]13,749	*11,210
Carloadings (cars)	[b]573,325	697,633	460,345
PRICES:			
Wheat (bu.)	$2.29¾	$2.30⅝	$2.20⅝
Corn (bu.)	$1.55¾	$1.57½	$1.64¾
Cotton (lb.)	$.352	$.356	$.3655
Steel scrap avg. (ton)	$39.17	$38.50	$36.50
Wholesale food index‡	[d]$6.06	$6.08	$6.65
Weekly whlsl. index (BLS)¶	[d]119.2	119.3	119.3
BUSINESS:			
Dept. store sales§¶	[b]109	118	102
Failures (July 2)‡	244	256	292

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Fed. Reserve Board [a]Member banks, 94 cities, July 1 [b]July 4 [c]June 27 [d]July 7 [r]Record

Stocks. Dow-Jones' industrial stock average topped the 600 mark Feb. 20 for the first time. The 30-stock average, representing dollar prices per share, rose Feb. 20 to 602.21, a gain of over 37% in the past year. The average closed July 14 at 657.70. Troubled about reports of unprecedented stock speculation, the SEC warned amateurs Apr. 6 to rely on fact rather than rumors in buying stocks.



The Commerce Department chart (left) contrasts the weekly movement of Standard & Poor's industrial stock index in 1958 & in Jan.-June of 1959. This 425-stock index assigns a value of 10 to the 1941-43 average.

141,200,000 shares were traded on the Tokyo Stock Exchange June 1. This set a new record for volume of one day's trading on any exchange.

IBM stockholders Apr. 29 approved a 3-for-2 stock split made possible by an authorized stock increase to 19,125,000 shares from 12,750,000 shares.

berger (D., Ore.) were the only Senators facing reelection in 1960 who voted "right" on all 4 issues, according to COPE.

COPE said "right" votes favored: (a) repealing the 4% tax credit on dividend income; (b) denying tax deductions of more than $1,000 a year for entertainment; (c) reducing the 27½% depletion allowance for oil & gas producers, and (d) increasing welfare payments for dependent children, the blind, disabled, needy & aged. [See p. 77B3; Vol. XVIII, p. 376B3]

POLITICS

Humphrey's Candidacy. The candidacy of Sen. Hubert Horatio Humphrey (Minn.), 48, for the Democratic Presidential nomination was announced July 14 by Sen. Eugene J. McCarthy (D., Minn.) & Democratic Gov. Orville L. Freeman of Minnesota at Washington & St. Paul press conferences linked by telephone.

Humphrey, who was not at the press conferences, said later July 16 that he approved the announcement but did not consider it his formal entry into the race. "I am not a candidate for the Presidency," he declared. He said that if the new Humphrey-for-President Committee were well-received, "I will at the appropriate time make a formal declaration of my candidacy." [See pp. 192E3-193F1]

Young GOP. Delegates to the convention of the Young Republican National Federation, meeting in Denver, approved June 20 a platform asserting that the Supreme Court "should not usurp the functions rightfully belonging to other branches of the government." But it deleted, by a 346-209 vote, a section that (1) criticized Supreme Court "reasoning . . . in the field of state powers & internal security" and (2) urged Congress to pass legislation "to reestablish the equilibrium of our governmental system."

The platform (a) opposed "federal financial aid for general public education & school instruction"; (b) urged that public power development be restricted to existing projects, which gradually should be sold to private industry; (c) backed Administration efforts to give "private industry the basic responsibility in the field of water development & power"; (d) urged "measures to check existing abuses by labor unions," including a study of the feasibility of applying "anti-trust laws to the big, industry-wide union organizations"; (e) opposed any summit meeting with the USSR without "tangible evidence that the Communist regime is ready to honor its diplomatic agreements as a civilized nation."

Vice Pres. Nixon told the delegates June 19 that inflation & deficit spending would be 1960's great issues. He warned that Democrats "will win and we will lose" if the GOP let its opponents present the issues on the basis of Democratic claims that Democrats stood for more schools, highways, hospitals, jobs & security—"things which they say more government spending can produce." Nixon said Republicans must show that under the GOP Administration there were more jobs, homes, highways, classrooms, medical research & Social Security coverage than under the Democrats, that "the Republican Administration produced the things that the Democrats promised."

In an apparent victory of Nixon backers over supporters of N.Y. Gov. Nelson Rockefeller, the Young GOP convention June 20 elected conservative Ned Cushing, 35, Downs, Kan. banker & advertising executive, as national chairman. [See p. 215F2-A3]

OTHER U.S. NEWS

Mack Jury Disagrees. The 14-week trial of ex-FCC Commissioner Richard A. Mack, 49, & his friend Thurman A. Whiteside ended in a mistrial July 10 with the jury deadlocked at 11-1 for conviction. They were charged with conspiracy to award Miami TV Channel 10 to Public Service Television, Inc., a National Airlines subsidiary. The prosecution said Whiteside had given Mack thousands of dollars & other favors to influence his vote in the case. [See Vol. XVIII, p. 317D2]

TV Nets Probed. Executives of 3 of the biggest advertising agencies told the FCC at a New York hearing July 9 that CBS, NBC & ABC, the 3 major networks, had virtually complete control over TV programming but that only the networks were equipped for this because of the "tremendous financial risk involved." Dan Seymour of the J. Walter Thompson agency said most shows were produced either by the networks or independent packagers. He said competition had made the networks end an arbitrary policy of offering advertisers schedules on a "take-it-or-leave-it basis." Networks still controlled the selection of programs & production personnel, Seymour said, but advertisers could break contracts for shows incompatible with their products. [See Vol. XVII, p. 238D-E2]

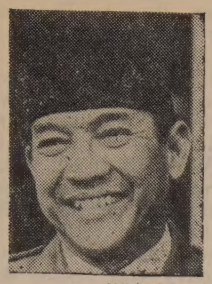
Flying 'Lights' Reported. The pilots of 5 planes en route from California to Hawaii reported July 11 that they had seen a group of fast-flying "bright lights" above the ocean in the early morning. Capt. George Wilson, a Pan American pilot, made the first report. He said they were "extremely bright lights, surrounded by small lights," that he saw them 840 miles from Honolulu, that they approached at an altitude of about 21,000 feet and "headed south." [See p. 68E2]

FOREIGN

Indonesia

Sukarno Names Govt. Pres. Sukarno July 8 appointed a 10-member "inner cabinet" in which he became premier, ex-Premier Djuanda became

first minister, and Lt. Gen. Abdul Haris Nasution, Army chief of staff, was named security & defense minister. Sukarno administered the oath of office to his cabinet July 10 and told newsmen that it would remain in office for at least 5 years to implement plans for "guided democracy" in Indonesia. He said that the current Indonesian Parlt., elected in 1955, would remain in office until new elections in 1960. Sukarno completed his cabinet July 12 with the appointment of 23 deputy ministers. Only 2 of the deputies (Education Min. Prijono & Mobilization Min. Sudjono) were regarded as pro-Communist. [See p. 217G3]



Wide World

SUKARNO

The new Indonesian cabinet (deputies in parentheses following responsible minister): Premier—Sukarno; First Min. & Finance—Djuanda (Information Min. Maladi, Deputy Finance Min. Notohamiprodjo); National Security & Defense—Lt. Gen. Abdul Haris Nosution (Justice Min. Sahardjo, Police Min. Sukanto, Veterans Min. Sambas Atmadinata); Production—Col. Suprajogi (Agriculture Min. Aziz Saleh, Public Works Min. Dipokusumo, Labor Min. Ashem Erningpradja); Construction—Chairul Saleh (People's Industry Min. Suharto, Agrarian Min. Sadjarwo, Transmigration, Cooperatives & Community Development Min. Achmadi); Distribution—Johannes Leimena (Sea Communications Min. Abdul Mutalib, Land Communications Min. Djatikusumo, Air Communications Min. Iskandar, Foreign & Internal Trade Min. Arifin Harahap); People's Welfare—Muljadi Djojomartono (Health Min. Col. Satrio, Social Min. Muldaji, Religion Min. Wahib Wahab); Social & Cultural Affairs—Mohammed Yamin (Education Min. Prijono); Foreign Affairs—Dr. Subandrio; Home Affairs & Regional Autonomy—Ipik Gandamana; Mobilization of the People's Potential—Sudibjo, Sudjono (both deputies); Cabinet-Parliament Liaison—Rumandi, Fatah Yasin (both deputies).

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Algeria. 25 Asian & African states* asked UN Secy. Gen. Hammarskjöld July 14 to place the "question of Algeria" on the agenda of the forthcoming 14th UN General Assembly. A letter to the Security Council from 21 of the Asian-African nations had warned July 10 that the Algerian rebellion was becoming a threat to world peace. France told the Security Council July 14 that the UN was "not competent" to discuss Algeria (legally a department of France & beyond UN jurisdiction). [See Vol. XVIII, p. 470D2]

French troops launched an offensive July 10 against rebel arms depots & guerrilla strongholds in the Hodna Mts. area of southeastern Algeria. 103 rebels & 11 French were reported killed by July 12. [See p. 218F3]

5,000 suspected rebels were freed from Algerian internment camps by an amnesty issued by Pres. de Gaulle July 13 in honor of Bastille Day. [See p. 13C2]

Austria. Chancellor Julius Raab named a new coalition cabinet July 14 composed of equal numbers of ministers drawn from the conservative People's Party & Socialist Party. Agreement on formation of the cabinet, after 9 weeks of negotiations, was reached July 10 when Raab accepted Socialist demands for control of the Foreign Ministry & Austria's nationalized industries. Raab had resigned as charetaker chancellor July 7 but was pressed by Pres. Adolf Schaerf to compromise with the Socialists to form the new cabinet. [See p. 155F1]

The new Austrian cabinet: (People's Party ministers) Chancellor—Julius Raab; Education—Dr. Heinrich Drimmel; Finance—Reinhard Kamitz; Agriculture—Eduard Hartmann; Trade—Fritz Bock; Defense—Ferdinand Graf; Interior Ministry State Secy.—Franz Grubhofer; Foreign Ministry State Secy.—Franz Gschnitzer. (Socialists) Vice Chancellor & Nationalized Industries Min.—Bruno Pittermann; Interior—Josef Afritsch; Foreign Affairs—Bruno Kreisky; Social Welfare—Anton Proksch; Justice—Otto Tschadek; Communications & Electric Energy—Karl Waldbrunner; Trade Ministry State Secy.—Eduard Weikhart; Defense Ministry State Secy.—Max Eibegger.

Belgium. Ex-Education Min. Leo Collard was named July 10 to succeed the late Max Buset as Socialist Party president. [See p. 211E3]

Britain. Laborite leader Hugh Gaitskell July 11 rejected efforts to bind a future Labor Party Govt. to unilateral British nuclear disarmament. Gaitskell rebuked Gen. Secy. Frank Cousins of the Transport & Gen. Workers Union for his support of a union resolution, approved July 9, calling for British renunciation of atomic weapons. The union, Britain's largest, also demanded (1) cessation of British nuclear tests & weapons production, (2) a declaration that no nuclear weapons would be launched first from or by Britain and (3) cessation of nuclear-armed aircraft flights from British bases. [See p. 206B2]

Lord Astor, 73, retired July 10 as chairman of the London Times Publishing Co. and was succeeded by his son, Gavin Astor, 41. (George Newnes, Ltd., publishers of 57 British magazines & technical journals, announced acceptance July 7 of a reported £12,460,000 [$34,888,000] purchase offer by Oldhams Press, British newspaper & magazine publishers.) [See p. 219B1]

Canada. RCMP officials disclosed July 9 that $8 million worth of heroin had been seized & 2 suspected dope ring leaders, Giuseppi Cotroni & René Robert, had been arrested in a narcotics drive by Canadian & U.S. agents. [See pp. 123B1, G1, 112E3]

An "emergency" CBC management committee was formed by the Canadian Govt. July 7 temporarily to replace CBC Pres. Alphonse Ouimet & Vice Pres. E. L. Bushnell following charges of alleged mismanagement of commercially sponsored programs.

Czechoslovakia. The Czech Embassy in Washington July 9 denied charges made July 7 by U.S. State Dept. spokesman Lincoln White that travel restrictions had been imposed on U.S. diplomats in Czechoslovakia. [See p. 186B3]

East Germany. U.S. Army spokesmen in Berlin disclosed July 11 that Cpl. Ernie F. Fletcher of Covington, Ky. had deserted June 8 & sought asylum in East Germany. [See p. 50D3]

(The East German Govt. had released May 9 Emory A. Vaughan, 32, a U.S. Army civilian employe arrested in East Germany Mar. 27 after his light plane went off course, and British Army Cpl. Clarence Passan, seized Feb. 9 when he fell asleep on the Berlin subway & was carried into East Berlin.)

France. Pres. de Gaulle presided over a meeting of the French Community Executive Council July 7-8 in Tananarive, Madagascar and, accompanied by Premier Michel Debré, visited Grand Comore & Réunion Is. in the Indian Ocean before returning to Paris July 11. (Debré issued orders July 10 for the arrest & return to France of Joseph Raseta, prominent Malagache nationalist, who had been permitted to leave forced residence in France July 9 and was en route to Madagascar to join the nationalist opposition to Pres. Philibert Tsiranana.) [See pp. 146E3; Vol. XVIII, 279E3]

The French Community council was assured by French Foreign Min. Couve de Murville July 7 that its 12 African members would be permitted to establish relations with foreign states & international organizations through French embassies & diplomatic missions. The Council delayed action July 8 on demands by Premiers Modiba Keita of the Sudan & Mamadou Dia of Senegal for transformation of the community into a "confederal association [of independent African states] with France." It voted to take "affirmative action" against efforts by Ghana & Guinea to form a pan-African federation with French Community states. [See Vol. XVIII, p. 382B3]

The French Socialist Party's 51st national congress, meeting July 9-11 in Issy-les-Moulineaux, a Paris suburb, supported Secy. Gen. Guy Mollet's call for support of Pres. de Gaulle's foreign & Algerian policies, coupled with opposition to his & Premier Debré's economic, social & labor policies. The Socialists criticized de Gaulle for the curtailment of the French Parlt., for the withdrawal of French fleet units from NATO control & for his failure to hasten Algerian peace efforts. Mollet was re-elected secretary general July 12. [See pp. 146B3, 54B1, 13D1]

(Socialists joined with Communists, Popular Republicans & Centrists in the French Senate July 9 to defeat by a vote of 132-90 a Govt.-sponsored rural improvement bill. It was the first Govt. bill to be rejected by either house under the 5th Republic.) [See p. 219G1]

Ghana. A revision of Prime Min. Kwame Nkrumah's cabinet, carried out July 1 & made public July 3, merged the Education and Information & Broadcasting Ministries in a new Education & Information Ministry, created a new Health & Social Welfare Ministry to replace the separate Health, Labor Cooperatives & Social Welfare Ministries, and created a new Commerce & Industry Ministry. [See p. 210B2]

*Afghanistan, Burma, Ceylon, Ethiopia, Ghana, Guinea, India, Indonesia, Iran, Iraq, Japan, Jordan, Lebanon, Liberia, Libya, Malaya, Morocco, Nepal, Pakistan, Philippines, Saudi Arabia, Sudan, Tunisia, UAR, Yemen. (Ghana July 10 became the 16th nation to extend formal recognition to the rebel Algerian Provisional Govt.)

The new Ghana cabinet: Prime Min.—Kwame Nkrumah; Education & Information—Kofi Baako; State Min. for Defense—C. T. Nylander; Health & Social Welfare—L. R. Abavana; Commerce & Industry—P. K. Quaidoo; Finance—K. A. Gbedemah; Local Govt.—A. E. A. Oferi; Foreign Affairs—Ako Adjei; Interior—A. E. Inkumsah; Transport & Communications—Krobo Edusei; Food & Agriculture—F. Y. Asare; Works & Housing—E. K. Bensah.

The Ghana Parlt. approved without vote July 10 a resolution ratifying the Ghana-Guinea union declaration of May 1 as "a sound . . . basis for the formation of a union of independent African states." (A bill passed July 11 ordered the dissolution within 2 months of all unions not affiliated with the Ghana Trades Union Congress.)

Hungary. Members of the U.S. Legation staff in Budapest were restricted July 6 to within 40 km. (25 mi.) of the center of Budapest unless granted special travel permits. A Hungarian note blamed the restriction on U.S. diplomats' "machinations against the Hungarian . . . way of life." The U.S. State Dept. retaliated July 7 by restricting Hungarian diplomats to within 25 mi. of New York & Washington. [See p. 147B1]

Sir Leslie Munroe of New Zealand reported July 9 that he had been denied entry to Hungary on even a personal basis as long as he remained UN special representative on Hungary. [See Vol. XVIII, p. 407A2]

Indo-China. Communist Viet Minh terrorists killed 2 members of a U.S. Military Assistance Advisory Group team & wounded a 3d in an attack July 8 on a MAAG compound in Bienhoa, 20 miles northeast of Saigon, South Viet Nam. Maj. Dale R. Buis of Imperial Beach, Calif. & M/Sgt. Chester M. Ovnand of Copperas Cove, Tex. were killed, and Capt. Howard B. Boston of Blairsburg, Ia. was wounded. 2 Viet Namese guards & a Viet Namese child also were killed. The raid, made by 5 to 10 Communist guerrillas while the Americans were watching a movie, reportedly was the first attack on Americans in Viet Nam since 1957. [See Vol. XVII, p. 124F3]

Ireland. Premier Sean Lemass offered Northern Ireland federation in a unified Irish state July 9 with the right to retain "a separate Parliament with local powers." Lemass, in an interview in the Belfast Telegraph, proposed a meeting of the Irish Republican & Northern Ireland Govts. to seek improved economic cooperation. Viscount Brookeborough, Northern Ireland prime minister, rejected Lemass' unity offer July 13 on grounds that it was a "takeover bid," which would require abandonment of Northern Ireland's constitutional links with Britain. [See pp. 201E3, 79B2]

Italy. Plans for construction of an Italian nuclear submarine were disclosed to the Senate July 3 by Defense Min. Giulio Andreotti, seeking approval of a $981 million 1959-60 defense budget. Andreotti said that the submarine would be part of a naval expansion program planned after completion of current construction (an 8,000-ton cruiser, 2 5,000-ton cruisers, 2 3,000-ton destroyers, 4 frigates, 2 submarines). U.S. information on nuclear propulsion was said to have been asked for the submarine, to be designed & built by Italy. [See pp. 159C2, 120D2]

The Italian Communist Party disclosed July 1 that CP membership had dropped by 4,000 to 1,816,000 in 1959. But CP Secy. Palmiro Togliatti, in an address published July 1 by the Rome CP daily L'Unita, ordered party units to rebuild strength by alliances with all groups, including middle class elements, opposed to the current Italian Govt. [See p. 86B3; Vol. XVIII, 402D2, 122A1]

Vatican City pay scales were increased to a minimum of $97 to $113 monthly for lowest categories of lay employes by a new salary system approved by Pope John XXIII & made public July 6. The raises brought lowest wages to Italian civil service levels. (The Vatican disclosed July 4 that its famed painting, The Betrothal of St. Catherine, ascribed to Murillo, was a forgery executed about 1700 after Murillo's death in 1682.)

Japan. The Finance Ministry announced July 6 that Japan's foreign exchange reserves had reached a postwar peak of $1.105 billion at the end of June. [See Vol. XVIII, pp. 215D1, 14E3]

Korea. The first shipment of materials for construction of a 100-kw. open-pool nuclear reactor arrived in South Korea July 5 for installation at the Natl. Nuclear Research Laboratories near Seoul by the General Dynamics Corp. of San Diego, Calif. ½ of the cost of the $760,000 reactor was to be paid by the U.S. [See p. 36E3]

Morocco. Controls were imposed by Morocco July 4 on all trade & capital transfers between Morocco & franc-zone nations in retaliation for France's recent blocking of Moroccan access to franc-zone foreign currency reserves. A Govt. communiqué said that Morocco would remain outside the franc zone until the signing of a convention regulating ties between the Bank of France & newly-formed Bank of Morocco. [See p. 14C3; Vol. XVIII, 422E1, 41D2]

Crown Prince Moulay Hassan became acting Moroccan ruler July 4 with the departure of King Mohammed V for an extended European rest.

A U.S. aid pact signed in Washington June 30 provided $40 million to replace French aid for Morocco's development program. [See p. 170G3]

Philippines. A U.S.-Philippines atoms-for-peace agreement disclosed June 20 provided for the construction of a nuclear research center in Quezon City (suburb of Manila). The $500,000 reactor & nuclear fuel would be supplied by the U.S. Govt. [See pp. 83F2, 462B2, 31B1]

Poland. 20 to 50 persons were reported July 8 to have been injured in a clash between police & Roman Catholic demonstrators June 26 in a village near Lublin, following police destruction of a Catholic shrine & chapel. [See pp. 139D3, 24B1]

Soviet Union. Emperor Haile Selassie of Ethiopia visited the USSR June 29-July 13 and won Soviet approval of a 400 million-ruble ($100 million at official exchange rates) loan for Ethiopian industrial & agricultural development. Selassie, who negotiated the loan in meetings with Soviet Premier Khrushchev, flew to Prague July 13 for a 4-day visit to Czechoslovakia.* [See p. 71D3]

The U.S.' Population Reference Bureau, Inc. estimated July 5 in a study of the USSR's recent census that from 15 to 20 million Soviet men had been killed during World War II. Ed. Robert C. Cook wrote in the bureau's Population Bulletin that "it appears that the USSR would now have 30 million to 40 million more people were it not for the . . . heavy war losses & the lower birth rate during the war years." [See p. 155A3]

Tibet. British & Indian action to bring Communist Chinese aggression in Tibet before the UN was demanded July 10 by Jayaprakash Narayan, Indian Socialist leader & head of the All-India Tibetan Convention. Narayan held that Britain & India had the responsibility of protecting Tibet because they had prevented UN condemnation of Red China during its 1950 invasion of Tibet. Prime Min. Nehru had expressed doubt July 7 that the UN was qualified or able to deal with the Tibetan situation due to its refusal to seat Red China.† Nehru denied any Indian abandonment of Tibet, but he told newsmen that he lacked "the power to change the shape of the world." [See pp. 203D3, 154D3]

OBITUARIES

Shlomo Eisenberg, 60, gen. secy. Jewish Agency for Israel for 31 years; July 13 in Jerusalem.

Henry Prather Fletcher, 86, GOP natl. chrmn. 1934-36, career diplomat 1902-30, ex-U.S. Tariff Comm. chrmn.; July 10 in Newport, R.I.

Grock (Adrian Wettach), 79, Swiss-born clown, long-time star of European circuses; July 14 in Imperia, Italy of heart attack.

Adm. Sir George Hope, 89, who received German delegates at World War I armistice signing near Compiégne, comdr. battleship Queen Elizabeth in 1915 Dardanelles operation, British delegate to Versailles Peace Conf.; July 11 in London.

Col. William L. Keller, 85, Walter Reed Army Hospital chief of surgery 1919-35; July 11 in Washington.

Tokizo Nakamura, 64, star female impersonator of Japanese Kabuki Theatre; July 12 in Tokyo.

Ward A. Neff, 68, pres. Cornbelt Publishers (Chicago & Kansas City Drovers Journals, Omaha Journal-Stockman, East St. Louis Livestock Reporter); July 11 in Boulder Junction, Wis. of heart attack.

* Selassie had visited Cairo June 24-28 for talks with Pres. Nasser on Ethiopian-UAR differences over the Ethiopian Coptic Church, division of Nile River waters & the political future of Somalia, an Italian mandate on Ethiopia's border. Ethiopia's Coptic Archbishop Basilios was elevated to Patriarch by Egyptian Coptic Pope Kyrollos IV in Cairo June 28, under an agreement recognizing the growing importance of the Ethiopian church. [See p. 66F3; Vol. XVIII, 62B1]

† Indian Rep.-to-UN C. S. Jha asked UN Secy. Gen. Hammarskjold July 14 to place "the question of the representation of [Communist] China" on the agenda of the forthcoming General Assembly. He also requested Assembly consideration of "the treatment of people of Indian origin" in South Africa. [See Vol. XVIII, p. 305G3]